

JANUARY 29, 2015 TESTIMONY BEFORE THE CONNECTICUT GENERAL ASSEMBLY'S INSURANCE AND REAL ESTATE COMMITTEE FROM SOLAR CONNECTICUT, INC. EXECUTIVE DIRECTOR MICHAEL TRAHAN ON PROPOSED S.B. NO. 17 "AN ACT CONCERNING WORKERS' COMPENSATION AND THE SOLAR ENERGY INDUSTRY."

Like most industries, the solar electric industry is concerned about the cost of doing businesses.

Reducing costs is especially important for the solar electric industry in Connecticut since electric ratepayers here continue to invest in the state's solar industry through a surcharge on electric bills. The more we can lower costs, the less reliance we have on ratepayer incentives.

These incentives have produced remarkable success in bringing down solar costs. Currently, homeowners in Connecticut are installing solar electric systems 50-percent larger than systems installed three years ago and pay 25-30 percent less than what homeowners were paying three years ago for those larger systems. 50 percent more clean, renewable, emission-free electric power for 25-30 percent less cost.

Unlike five years ago, the biggest costs associated with installing solar electric systems today is not the cost of solar panels. Panel prices have come down more than 60-percent since 2008. Soft costs like permitting, inspections, labor, connecting to the electric grid and insurance costs make up the majority of costs for residential solar.

We no longer need cheaper solar panels to lower the cost of solar. We need to cut costs.

In Connecticut, workers compensations rules classify residential solar electric installers as roofers, a very costly classification and not especially reflective of the type of work the solar contractor performs or the safety precautions taken by the solar industry.

SolarConnecticut members who install solar in multiple states say they pay nearly three times as much in workers compensation insurance in Connecticut than they do in other states, Massachusetts and Oregon for instance. We'd like the committee to understand that the same installers using the same tools and techniques, installing the same equipment pay significantly more in Connecticut than in other states. In fact, ground mount solar installations (systems anchored to the earth) are also subject to roofers rates.

Of course these costs are passed on to consumers in the price of the installation.

If it is state policy to encourage the use of solar electric systems it should also be state policy to reduce installed costs that the state controls.

We do not have a specific recommendation for the committee at this time other than to say that we are eager to lower consumer costs and willing to work with the committee and the state Insurance Department to come up with a solution that is fair and responsible for everyone involved.